as per Usual Principal and Subsidiary Status (UPSS) has been 2.43 per cent during the period 1987-88 and 1993-94.

(c) In view of (a) and (b) above, does not arise.

Criteria for Allocation of Central Funds

878. SHRI JANARDHANA POOJARY: Will the PRIME MINISTER be pleased to state:

(a) whether the criteria for allocation of central funds to States and Union Territories under major rural povery alleviation programmes adopted on the recommendation of the Lakdawala Exprerts Groups is adversely affecting Karnataka which has budgeted schemes to supply subsidised foodgrains to the poor; and

(b) if so, what are the views of Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES OF THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS. (SHRI ARUN SHOURIE): (a) Until 1997-98, the funds under major Centrally Sponsored rural poverty alleviation programmes were allocated to States/UTs on the basis of Task Force estimates of poverty for 1987-88. The share of Karnataka was 5.245% as per these estiamtes. The Lakdawala Expert Group estimates of poverty for 1993-94 were accepted by the Full Planning Commission in March, 1997. It was decided that the Expert Group estimates of poverty for 1993-94 should be used as the basis for inter-State allocation of funds under major rural poverty alleviation programmes. However, a comparison of State-wise share in acordance with the Task Force estiamtes for 1993-94 and Expert Group for 1993-94 respectively revealed that some States including Karnataka were adversely affected in their respective share of allocations by the

adoption of the Expert Group estimates. The share of Karnataka based on Expert Group estimates of poverty, was 3.934%. Some States, which had been adversely affected, represented to the Union Government on this issue. Consequently, an exercise was undertaken to work out an adjustment formula to contain the losses under the Expert Group estimates to not more than 15 per cent of their expected entitlement based on the Task Force methodology for 1993-1994. Based on the exercise, the share of Karnataka works out to 4.259% of the total funds allocated under rural poverty alleviation programmes. These adjusted shares are being used for allocation of funds under major rural poverty alleviation programmes w.e.f. 1998-1999.

(b) The Planning Commission received representations from some States to modify the criteria for allocation of funds under rural poverty alleviation programmes. As such this issue was placed before the National Development Council (NDC). In pursuance of the decision taken in the meeting of the NDC held on 19.2.99, it was decided to set up a Committee of the National Development Council under the chairmanship of the Deputy Chairman of the Planning Commission with Members from both the Central Ministries and the State Governments to determine the criterion for allocation of funds under major rural poverty alleviation programmes. The NDC Committee, after discussing various criteria for allocation of funds under major rural poverty alleviation programmes, recommended the continuation of existing criteria. The Committee also recommended that many important suggestions which relate to incentives for better performance in reducing poverty and additional funds for areas with e> me poverty and distress could be taken up when the work starts on the Tenth Five Year Plan. The recommendations of the NDC Committee would be presented to the National Development Council for approval.